

New Private Sector Establishments

Rhode Island's private sector added 3,071 new firms between April 1, 2003 and March 31, 2004, offsetting a loss of 2,433 firms. Nearly 400 (12.8%) of these establishments were engaged in Construction-related industries. An additional 11.6 percent (356) of new firms provided Professional, Scientific, & Technical Services, including computer systems design services (72), offices of lawyers (42), management consulting services (26), engineering services (21), and computer programming services (19).

Several other industry sectors reported a notable increase in establishments during this period, including Other Services, which accounted for 8.7 percent (+268) of total new firms statewide. This wide-ranging sector includes private households (110), beauty salons (31), general automotive repair (21), and religious organizations (10). The local economy also benefited from the addition of 260 Retail Trade establishments, accounting for 8.5 percent of all new establishments statewide. Some of these industry sector firms were convenience stores (21), supermarkets and other grocery stores (16), used car dealers (16), and gift stores (12). Also in trade, Wholesalers established 233 new firms during this period.

The Administrative & Waste Services industry sector expanded by 239 firms, accounting for 7.8 percent of all new private sector businesses, between April 2003 and March 2004. Temporary help services (58), landscaping services (45), janitorial services (32), and solid waste collection (10) establishments comprised some of this growth. Rhode Island's love for good food helped lead entrepreneurs to establish 180 new Accommodation & Food Services businesses. More than 70 limited- and 42 full-service restaurants were created during this period, combined with 31 drinking places and 23 snack and nonalcoholic beverage bars (including donut shops).

Other private sector industry groups adding firms during this period included Finance & Insurance (129), Health Care & Social Assistance (124), Real Estate & Rental & Leasing (94), Transportation, Warehousing, & Utilities (83), Manufacturing (82), Information (65), and Educational Services (40).

During the first quarter 2004, workers employed by new companies received nearly \$60.1 million in total wages. This accounted for 1.7 percent of the total wages paid throughout the state.

New Private Sector Establishments in Rhode Island
April 1, 2003 - March 31, 2004

	Number of New Firms	% of Total New Firms	Total Employment in New Firms	% of Total New Employment
TOTAL	3,071	100.0%	8,588	100.0%
Natural Resources & Mining	15	0.5%	38	0.4%
Construction	394	12.8%	861	10.0%
Manufacturing	82	2.7%	352	4.1%
Wholesale Trade	233	7.6%	288	3.4%
Retail Trade	260	8.5%	1,257	14.6%
Transportation, Warehousing, & Utilities	83	2.7%	189	2.2%
Information	65	2.1%	101	1.2%
Finance & Insurance	129	4.2%	586	6.8%
Real Estate & Rental & Leasing	94	3.1%	176	2.0%
Professional, Scientific, & Technical Services	356	11.6%	755	8.8%
Management of Companies & Enterprises	19	0.6%	116	1.4%
Administrative & Waste Services	239	7.8%	893	10.4%
Educational Services	40	1.3%	189	2.2%
Health Care & Social Assistance	124	4.0%	525	6.1%
Arts, Entertainment & Recreation	31	1.0%	62	0.7%
Accommodation & Food Services	180	5.9%	1,263	14.7%
Other Services	268	8.7%	524	6.1%
Unclassified Establishments	459	14.9%	413	4.8%

in the Ocean State, 2003-2004

The Ocean State's 3,071 new establishments combined to employ 8,588 people by the end of the first quarter 2004. A significant portion (14.7%) of these new jobs were in Accommodation & Food Services (1,263), spread across limited- (436) and full-service (297) restaurants and snack and nonalcoholic beverage bars (218). New Retail Trade businesses added a similar number of jobs (1,257), concentrated in automotive dealers (440) and food and beverage stores (403).

More than ten percent (893) of the jobs generated by new establishments between April 2003 and March 2004 were in Administrative & Waste Services, particularly temporary help services (452), waste management and remediation services (129), and janitorial services (80). An additional 861 people were employed by new Construction businesses, such as plumbing and HVAC contractors (162), residential remodelers (99), electrical contractors (61), and commercial building construction (52).

In March 2004, new businesses providing Professional, Scientific, & Technical Services employed 755 people, distributed among accounting, tax preparation, bookkeeping, and payroll services (187), computer systems design and related services (142), legal services (125), and management, scientific, and technical consulting services (123). Finance & Insurance jobs accounted for 6.8 percent (586) of total employment in new private sector establishments. Many of these positions were found in mortgage and non-mortgage loan brokerages (191), insurance agencies and brokerages (114), other insurance related activities (95), and commercial banking institutions (45).

One of Rhode Island's fastest growing industry sectors, Health Care & Social Assistance, saw its total employment level increase by 525 jobs thanks to the establishment of 124 new businesses. Offices of physicians accounted for 163 of these jobs, followed by child day care services (68), home health care services (52), homes for the elderly (46), and child and youth services (33).

New private sector firms in Other Services (524), Manufacturing (352), Wholesale Trade (288), Educational Services (189), and Transportation, Warehousing, & Utilities (189) also reported significant levels of employment in March 2004.

